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6 June 1966

OCI No. 1202/66

Copy No. 44

INTELLIGENCE REPORT

Prepared Weekly

for the

SENIOR INTERDEPARTMENTAL GROUP

DIRECTORATE OF INTELLIGENCE

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C O N T E N T S

	<u>Page</u>
1. Communist China	1
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4. Congo	4
5. Cambodia.	5

6 June 1966

SECRET

~~SECRET~~

1. COMMUNIST CHINA

The current domestic political upheaval in China has pushed propaganda coverage of foreign events into the background in a way which suggests that Peking's affairs abroad are being managed by secondary officials who are proceeding cautiously along well-established guidelines.

Press attention to developments in the outside world has dropped off and those articles which have appeared on external affairs are lacking in vigor and authority. This reflects top-level concern with more immediate events at home, including questions of personal political survival. One high member of the politburo has been removed and the positions of other leaders are being threatened.

This preoccupation of top officials with the current internal power struggle was reflected in Chen Yi's reported remark to a group of Afro-Asian journalists in late April that China's main enemies at present are internal ones.

The concentration on domestic events has affected propaganda output even on the key foreign policy issue of Vietnam. Chinese broadcasts concerning the war, which amounted to about 30 percent of the total during the January-March period, fell to ten percent and less in April and May. [REDACTED]

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This overriding concern with the domestic scene will probably prove to be a passing phenomenon. There is no reason to believe it will continue after the leadership shake-up is sorted out in Peking. Thus far, the militant hard-line faction, led by Teng Hsiao-ping, has been the chief gainer in the power struggle. This group is solidly committed to promoting the revolution both at home and abroad. [REDACTED]

25X1

6 June 1966

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4. CONGO

Mobutu is becoming increasingly preoccupied with extending his control of the Congo, a development which is likely to make him even less amenable to Western influence in the future than he has been to date.

For the last month or so Mobutu has been carrying on a running vendetta with the Belgians, with whom he previously had been closely identified. On 31 May he ordered the summary execution of four politicians who had been caught in an inept plot against him.

25X6

[redacted] Mobutu will probably become more and more inclined toward precipitous handling of political problems, and he is likely occasionally to order actions which do not sit well in some quarters in the Congo and abroad. With little prospect of gaining popular support, he will become increasingly dependent on the officers of the Congolese Army to enforce his policies and keep him in power.

He probably will step up his campaign to bring the Belgians to heel, and he will be inordinately sensitive to any sign that any outside power is encroaching on his preserve. His relations with the West--and particularly with those countries which fail to handle him tactfully--are therefore likely to go through frequent rocky periods.

Belgians in both government and business seem increasingly concerned over their country's future in the Congo. Some Belgians are again interested in total withdrawal from the Congo, pointing out that the Dutch have never been more prosperous than since their withdrawal from Indonesia. Those Belgians with the greatest influence, however, seem resigned to trying to stick it out. Since Mobutu's campaign does not now seem to involve outright expropriation of property, a full break probably will not be precipitated by either side.

25X1

25X1

6 June 1966

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5. CAMBODIA

There are indications anti-Sihanouk sentiment in Phnom Penh may be reaching serious proportions.

Dissatisfaction with Sihanouk's policies has become more pronounced among the Phnom Penh elite in recent months as the country's fragile economic situation continues to deteriorate, [REDACTED]

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[REDACTED] Misgivings about the wisdom of Sihanouk's economic policies have been aggravated by indications that rice exports, Cambodia's major source of income, will be substantially lower this year than in the past, apparently the result of a poor harvest and the government's mismanagement of marketing.

An illicit outflow of rice to the Viet Cong may also be cutting into the amount of rice available to the government for export. Although the size of Communist purchases from Cambodian sources--probably between 20,000 and 30,000 tons--is small in comparison with the 500,000 tons which Cambodia normally exports, there is a possibility Chinese middlemen are withholding rice from the government purchasing agency in the expectation of making greater profits by future sales to the Viet Cong.

Sihanouk's internal difficulties are based on more than economic problems, however. There appears to be widespread sentiment among the royal family, high-ranking politicians, and military leaders that Sihanouk's arbitrary exercise of power, his capricious meddling in everyday affairs, and his intemperate foreign policy statements must be curbed.

These groups have long been at odds with Sihanouk's policies, particularly those associated with the renunciation of US aid in late 1963. At the same time, they have not considered moving against him because of their vested interests in the status quo, their lack of leadership, and their inability to match Sihanouk's power base. Sihanouk's decision to cancel a planned trip to Europe--at least partially in response to signs of restiveness--suggests that now the situation may be different. [REDACTED]

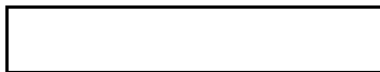
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6 June 1966

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